England Seeks A Way Out

discussed by

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SPEAKERS' TABLE

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England Seeks A Way Out

MR. JAMES G. McDONALD, Chairman

THE meeting today is an attempt to estimate from two points of view, and possibly from some additional points of view, the methods which the new National government in Britain is utilizing to find a way out of Britain's difficulties.

Two English people are the speakers today, representing, I hope, not precisely the same angles on this problem. The first speaker has been on Foreign Policy Association programs before. He is Professor William A. Orton, a graduate of London universities, who served in the British Army in Gallipoli, and Egypt, and France; staff officer of the Industrial Relations Department of the Ministry of Labor in England, 1919-1922; and since then Professor of Economics in Smith College.

Professor Orton is the author of a number of books and articles, including "Labor in Transition," and contributions to current publications. It is a pleasure to present Professor Orton!

PROFESSOR WILLIAM A. ORTON

MR. CHAIRMAN, LADIES AND GENTLEMEN, FAR AND NEAR: Englishmen talking about England in other countries have acquired a certain reputation for modesty. I hope you will not allow that to deceive you. It is really quite undeserved. The fact is that an Englishman knows that whatever he says about his own country and wherever he says it, from Vancouver to Mandalay, he will find some of his countrymen only too anxious to get up and argue with him; and that makes him careful. I am going to be careful this afternoon, so I propose to begin by outlining very briefly for you the series of events that we are supposed to discuss.

You will remember that the financial crisis in England developed in June, rather slowly at first. Perhaps it was only a coincidence that the real pressure on the pound sterling came immediately upon the intimation that the Germans were to be invited to the conference at Chequers. The pressure grew in intensity through July, and toward the end of July it became evident that a loan would be necessary. The first loan was announced on the first of August. The flight from the pound, however, continued, and within two weeks of that announcement, it was evident that a second and much larger loan would be required. Negotiations were set on foot between the Bank of England and the bankers of Paris and New York.

Let us not say that the bankers indicated certain conditions which were essential to the granting of that second loan. Let us instead say that Mr. MacDonald and Mr. Snowden discovered by a process of trial and error that certain items were essential to gain the confidence of the bankers. I might give you Mr. Snowden's own account of what happened. Mr. Snowden says:

> "Neither the Prime Minister nor I were ever at any time in communication with Mr. Harrison, (of your Reserve Bank of New York). Such inquiries as were made from him were made by the Bank of England. When it came to the final decision about the 10 per cent cut in unemployment pay, the Prime Minister and I were authorized by the Cabinet to inquire of the Bank of England whether a program of economies totalling 76,000,000 pounds, which included the 10 per cent cut in unemployment benefit, would enable us to receive the necessary loan. On receiving an affirmative reply, more than half of the Labor Cabinet were in favor of including the cut in unemployment benefit."

That was the position about the middle of August. Mr. MacDonald produced his program of economies, including the cuts in the social services. Those proposals were discussed by the Trade Union Council on August the 18th, and were immediately and categorically rejected. The Council of the Trade Unions took the stand that the limits of taxation had by no means been reached, and that so far as immediate budgetary balance was concerned, it must be done mainly through reliance on still further taxation. The Council then postponed further discussion of that program until September 7, when the general meeting of the Trade Unions was to take place.

About one hundred and thirty of Mr. MacDonald's supporters in the House of Commons were answerable to Trade Union constituencies, and as the Cabinet discussions went on, it became quite evident that Mr. MacDonald could not count for support either on a majority of his own party, which was itself a minority in the House, or on a majority of his colleagues in the Cabinet. Accordingly, Mr. MacDonald resigned, his resignation carrying with it, of course, the resignations of the entire Cabinet.

That was on Monday, August 24. Mr. MacDonald came back from Buckingham Palace to that same Cabinet meeting and announced that he had accepted the royal invitation to form a coalition government—a National government as he called it. The consternation of his colleagues can hardly be described, and the meeting broke up in utter dismay.

The National Cabinet was formed. The second loan was secured. It was announced on the 29th of August. The program of immediate economies was rushed through Parliament and, notwithstanding those facts, the

pound went off the gold standard in the third week of September. The National government then decided that an election was, after all, desirable, and campaigning began. There has probably been no campaign in modern British history fought so bitterly or with such desperation. I think we may interpret the victory as a tribute to Mr. MacDonald and Mr. Baldwin as persons, and as a rather desperate gesture in the direction of dictatorship. That is the situation which has called for unlimited condemnation of Mr. MacDonald by most of his former colleagues. Some of you may have seen an article by Sidney Webb in Current History, in which he describes Mr. MacDonald's actions as "a gross betrayal aggravated by a long course of inexcusable duplicity." I don't know what Mrs. Hamilton is going to call Mr. MacDonald, but I rather gather that she has "come to bury Caesar, not to praise him." I think Mr. MacDonald did the right thing. And now I have to tell you why.

To those of us who have followed the fortunes of the Labor party rather closely since the War, there was much less surprise about this than the press displayed; much less surprise. The Labor party is just over thirty years old. It was formed to secure independent Parliamentary representation for the industrial classes, and at its formation the Socialist program was definitely put aside. Its mission of achieving independent Parliamentary representation for the working people has been accomplished with remarkable success and remarkable speed, in one generation.

The Labor party itself was not a Socialist party until 1918 when it adopted a program of state socialism—rather old-fashioned it looks to most of us now—devised along the lines proposed by Mr. Sidney Webb and the Fabians.

In 1918 also the Labor party for the first time opened its ranks to individual membership. Before that year you had to belong to something or other. The things you had to belong to were mostly, of course, the Trade Unions. They were the solid financial and numerical backing of the Labor party. But, in addition, there were other societies—the Fabian Society, small but indescribably select, and the Independent Labor party, rather wild and woolly, perhaps, in these recent years.

So far as practical politics go, the Trade Union Congress has been more or less compelled by its position to stand firm for expenditure on the social services; on the other hand, the Independent Labor party has for some years now been conducting an open campaign of hostility, unmitigated hostility, to Mr. Snowden and Mr. MacDonald. It has demanded "socialism in our time" and it has fulfilled very admirably the functions of a vigorous propagandist, radical organization.

Those were the two legs, as it were, on which Mr. MacDonald was standing when the crisis occurred—the Trade Unions with their demands

for expenditure on the social services, and the intellectual, the theoretical wing of the party with its demand for radical reconstruction.

I am afraid that part of my difference with Mrs. Hamilton is that while she has enjoyed the thrills of law-making which encourage, I suppose, the imaginative and the long view, such experience as I have had has been in attempting to work the laws that are made in the House of Commons; and that experience—I will not say destroys one's ideals—but it takes one firmly by the back of the neck and rubs one's nose in the specific, immediate day-to-day problems of carrying on the life of the country.

It was a specific situation that Mr. MacDonald had to meet. To which side should he incline: to the Trade Union side with its demand for still further taxation as the main source of budgetary balance, or to the intellectual side of the party's activities with its demand for radical reconstruction?

The Labor party in its election manifesto remarked that "the present situation calls for bold, rapid action. The decay of capitalist civilization brooks no delay." What action did the party propose that should be bold and also rapid? Its main plank was the nationalization of the entire banking and credit systems, and the control of both domestic and foreign investment by a national investment bureau.

To some of you that may appear an immediate, practical policy; but I think there is some excuse for Mr. Snowden's statement that as a specific policy to meet a specific situation, that amounted to no policy whatever.

We may still say, however, that perhaps Mr. MacDonald should have quitted office with his party, although he felt that his party had no longer the necessary basis to offer for the carrying on of the government of the country. Mr. MacDonald should perhaps have gone out with the party. What was the alternative if he did? The alternative was to hand over the government of England—I think this is not disputed—to the Conservatives; and, after all, little as some of you may like the composition of the present Cabinet, if you will think what we have missed in England, you will see that, after all, Mr. MacDonald chose the lesser of the two evils. We are likely, I think, to be spared a very great deal owing to the presence in the Cabinet of Mr. MacDonald, Mr. Snowden, and the Liberals, and I will not specify any of the absences on which also we may congratulate ourselves.

Now we are to consider not merely the crisis but also the policies of the National government, and in particular its tariff policy; and on this, as time is short, you will forgive me if I speak more frankly than discreetly.

For over ten years England has been interested in the restoration of normal economic life in Europe. Mr. Garet Garrett in articles which

have been widely circulated for reasons of its own by the American Chemical Foundation, complains that the reparations have no moral authority in Germany. Mr. Garrett is perfectly right, but he doesn't go far enough. They have no moral authority in England either. There never has been, since the Lloyd George Coalition, a political party which dared to stand for their total enforcement. The English, ever since the Brussels Conference, have been pressing the French to mitigate their speculations on what could be wrung out of Germany. In that cause they have run tremendous risks. They have done, in fact, what you over here have done; they have betted enormous sums on the success of revisionist diplomacy. That is what the foreign financing of my country and your country has really amounted to.

I don't think you have realized it. I think the English did realize it all along, that in going repeatedly to the rescue of the Central Powers, they were laying their money on the success of revisionism, and certainly the French did. The French have countered that policy with the entire strength of their banking system at every turn, and the result has been that Britain herself is caught by the very size of her own stake.

The same duel has been going on ever since 1925, in respect of international economic policies. Britain has sought for and used every ally that she could find in an attempt to mitigate the economic nationalism raging in Europe. You will remember she organized, led the way, in the international bankers manifesto in 1926. She encountered the French thesis of cartelization with her thesis for the lowering of tariffs at the World Economic Conference in 1927. She got the declarations of the World Economic Conference on her side in 1927. Then she sponsored the tariff truce idea with which Mr. Graham (whose death yesterday is a misfortune to his country as well as to his party) was identified. She also attempted to use the League through two years for the removal of arbitrary restrictions on international trade; and in every one of those attempts the policy of the French and the policy of Poland combined to frustrate her efforts.

Unfortunately, in this matter her worst opponent was on this side of the Atlantic. It is not so much the level of the American tariff that we English deplore; it is the fact that, contrary to the descriptions in this country, the American tariff is a vindictive tariff. It is not a one-way tariff. You have in it, for example, certain items that are conditionally free, but contain the provision that if any other country puts duties on those items, American duties will be imposed. You have other items in the tariff at low rates of duty which remain so only as long as no other power imposes any higher tariff, and then you have upward retaliating tariffs.

Then you have, above all, this extraordinary demand for most-favored-nation treatment from every other country; and it is that demand, that policy, that has stood most effectively in the way of the coming together of the

European powers and the mitigation of the barriers to international trade in Europe.

That claim is, after all, one of those idealistic positions which lend themselves in specific situations to the gravest possible abuse. You will remember the way that the claim for most-favored-nation treatment was used by the State Department when France in 1927 attempted to secure a reciprocal lowering of tariffs with Germany—the most hopeful step that could possibly have been taken in Europe at that time.

After all, Mr. MacDonald as long ago as 1924 gave the key both to his policy and to this tariff situation when he said, "The War has taught us many lessons, but one of the most conspicuous is that no nation can develop an internal policy apart from other nations." That could hardly be believed at the time; but now perhaps even in this country, with your industries capitalized to a point at which foreign trade is essential to the paying of dividends, there may appear to be some truth in what Mr. MacDonald then said.

You have there also the key to Mr. MacDonald's own personal position. The restoration of equitable conditions of normal and free economic and political intercourse in Europe is the passion of Mr. MacDonald's life. He regards that as a more immediate and a more urgent task than any scheme whatever of domestic reform. I can say more than that: in his view no important steps forward in domestic reform can be undertaken until the international situation is cleared up, and it was that international situation that decided him finally to retain office even against the maledictions of his own party.

Britain has now discovered that the international task is too great a one to be undertaken by England alone. England has staked everything she had on it, including the support of her nearest and most powerful neighbor. She has lost her entire stake. The task still remains to be done; and the lead passes across the Atlantic.

There is grave unemployment in America, ladies and gentlemen, but, if you will forgive me for saying so, there is an unemployment this side that you have as yet hardly realized. America as a nation is one of the unemployed. She has not accepted the responsibilities that go with manhood. To nations as to individuals there comes a point at which life presents grave responsibilities for the welfare and the progress of the entire community. Such a responsibility now lies at the feet of this country. You know and I know that in the individual life there can be neither peace nor happiness until responsibility is accepted. I suggest to you not merely that the interests of this country demand that that opportunity be grasped, but also that there can be no peace in the minds of Americans of good

will until this country has taken up the task that for the moment Britain has had to relinquish, and has joined in the reconstruction of economic and political sanity.

THE CHAIRMAN: Mr. Orton, during the course of his talk, referred to Mrs. Hamilton, the second speaker, and he suggested that perhaps she had come to bury Prime Minister MacDonald rather than to praise him. If so, that is a new rôle for her. Mrs. Hamilton not so many years ago wrote the most interesting interpretation and life of Ramsay MacDonald that has appeared in English. She was for many years associated with him in the Labor party. She was until this recent election a Member of Parliament. She has served in many official positions in her native country. She is the only woman member of the Balfour Committee on British Trade and Industry, a member of the British delegation to the Assembly of the League of Nations; and for many years was associated with Sir Philip Gibbs as editor of the English Review of Reviews, and with H. N. Brailsford, editor of the New Leader. She is the author of many books, including "Life of Margaret Bondfield," "J. Ramsay MacDonald, 1923-25," and "England's Labor Rulers."

During the luncheon we had a delightful discussion as to whether this was to be a controversial luncheon or not. Professor Orton has been much more academic and restrained than meets with my complete approval. I hope Mrs. Hamilton will not follow too closely his example. Mrs. Hamilton!

MRS. MARY AGNES HAMILTON

MR. MCDONALD, LADIES AND GENTLEMEN: Perhaps some of you may feel that any British speaker coming out of his or her own country and proposing to be critical of what it has done is on treacherous ground, but I hope that I shall at once satisfy Mr. McDonald and be within the spirit of the Foreign Policy Association when I try to give you that honest interpretation of our present political situation which I myself feel to be the first obligation of the citizen of any country.

Citizens ought, I think, to live in their own countries, to work there, to try to serve their countries, but that old saying that has been so misused, "My country, right or wrong," does, I think, if one looks at it straight, carry the obligation to recognize that the country you love and try to serve may be wrong as well as right, and that your first duty as a person with a mind is, if you think so, to say so and to try to help a change of mind.

I represent a minority of opinion in my country at present. At the last general election we, however, got seven million votes against some sixteen million cast for the National government. Seven million votes, by one of the odd paradoxes of our electoral system, gave us only fifty seats out of six hundred and fifteen, but don't forget that there are seven million who, as Professor Orton has reminded you, passed through an election which for bitterness and for the appeal to emotion rather than reason was without parallel in our history, and it is, I think, the case that many people who at that election voted for National candidates because they felt that the country needed a strong government, are now bitterly regretting what they did. An example of that is Professor Gilbert Murray. They are bitterly regretting what they did because they have in fact installed in power a Tory government.

I don't propose to traverse the historical ground which Professor Orton has so clearly put before you, but I want to lift out of his admirable address three points. He explained to you very clearly that the immediate object of the formation of the National government was by its own declarations to prevent Great Britain from abandoning the gold standard. It was on that ground that we were asked to accept cuts in unemployment pay, cuts in the pay of teachers, police officers, civil servants, a reversal of that policy of social reform and of a progressive attempt to lift up the standard of living which had been the characteristic contribution of the Labor party during its time in Parliament.

It was in order to save the gold standard that we were told that the formation of a National government was necessary, and Mr. MacDonald himself felt compelled to leave the Labor party and pass over into a miscellaneous combination in which Conservatives outnumbered the rest. Formed to save the gold standard, in three weeks the National government—in three weeks—took Great Britain off the gold standard, on September 21, 1931.

The second point which Professor Orton made was that Mr. MacDonald in deciding he should not resign with the body of Labor government, but should at once place himself at the head of a new administration, was saving his country and the world from the evil of a Tory government in Great Britain. But there are a great many who voted for that government, and still more of those who fairly and frankly faced the program it has so far executed, who feel that in fact there is in power in Great Britain a Tory government, a government with a Tory majority in the House of Commons, pursuing a Tory policy.

The third point which he made was to me even more devastating from the point of view of his own contention. He indicated that partly as a

result of the last four or five months, leadership had passed from Great Britain to the United States of America.

On those three points of indictment I should claim the verdict has got to go against the policy that was carried through in August. It is more profitable for us to discuss the actions, program, and the effect of our British National government than analyze, imperfectly, as we must, the motives which induced individual actors in that drama to do as they did. I hope we can all of us respect the motives of those with whom we do not agree. I do not agree with the action of Mr. MacDonald and Mr. Snowden, for the simple reason that I joined the Labor party because I was a Socialist and worked for it proudly because I believed it was moving toward socialism, because I am convinced the application of socialism intelligently and internationally is what will save the world.

And when in August the former leaders of a Socialist movement put before the country a program which seemed to me and to all but some fifteen members of the then Labor party contrary to all that we had believed in and all we had worked for, we were compelled, if we were to be true to our consciences, to the citizens who had selected us to represent them, we were compelled to do what we thought right no matter what it might and has cost some of us. Speaking for myself and my late colleague, Miss Jennie Lee, it has cost us our seats. We don't regret that. We would do it again.

I daresay you, Mr. Orton and you, Mr. McDonald, would like me to spend my minutes on psychological analysis. I am not going to do that because the position both of Great Britain and of the world is far too serious for us to waste time looking back or looking into motives. What we have got to consider, the point of view from which we have got to criticize, is action. Can action be taken that will save the world? Is the action being taken in Great Britain calculated to help us, and through us, help general recovery?

It is because I do not think it is of that kind that, speaking frankly to you here, I have got to criticize Mr. MacDonald. My first point of criticism, I think, joins on directly to what Professor Orton said. We have a government which so far as the support behind it goes, is predominantly Tory. In the House of Commons 474 members were returned on a definitely Conservative Protectionist program. The majority of the Cabinet is Conservative. You have, therefore, an administration which is not clear in purpose, and an administration in which you have a division in point of view between the nominal leader and the Cabinet body through which it has to work. You get, therefore, less clarity of definite action than you might have got from an admittedly Tory government, and I think if one looks at the actual achievement of the National government in the months

since the election, one cannot pass other than a condemnatory verdict upon it.

This division of purpose, laming and hampering action, is vividly clear in relation to India. India is one of the greatest problems for us, as for the world. When, at the round table conference, with Mr. Wedgwood Benn, Mr. MacDonald spoke with the knowledge that they had behind them the party which, though not in the majority, was united in a determination to establish self-government for India, his lead of that conference obviously was clearly leading on sincerely to the translation of promises into action.

In the weeks of the round table conference since the election there has been a dilution of that assurance of sincerity which has inevitably had fatal repercussions on Indian opinion. If Indian opinion felt disappointed by the change in atmosphere at the round table conference in the last few weeks as against its preceding sessions, it was justified, because behind Mr. MacDonald and his Cabinet were a large body of people who moved only unwillingly, and to the extent which they could not prevent, in the direction of self-government, and I don't think that history will fail to lay some measure of responsibility for the terrible conditions now threatening us in India to the change of government.

I take another point which may seem small to some of you but I believe it to be of profound significance. The Labor government, as part of a very sincere effort to be true to its pledges on peace and disarmament, took, among other things an action which, though small, was socially of great significance. It withdrew official sanction and government grants from cadet corps in schools. That is one of those small things which is a straw which can have profound effects on opinion and the reversal of that decision by the present National government is a straw which also shows the change in the current of mood and feeling which I can't help feeling a dangerous change from the point of view of the lead which we might have given, which a Labor delegation would, I am sure, have given at the Disarmament Conference.

When you pass to the next chapter, which exhausts the positive performance of the National government, you enter upon the tariff phase. The majority of members in the present House of Commons believe that a Tory government on a full protectionist policy could have won a majority at an election, and I think they are right. They are in the House of Commons determined to get the full sanction for a policy of protection. So far only a beginning has been made by the provisions enabling a tariff up to 100 per cent to be put on "abnormal" imports, and by the so-called Green-grocery bill, which prevents foreign vegetables and bulbs from

coming in. A majority of ably led members are fanatically convinced that protection can save the country and nothing else can. Those members will not be balked of their determination to drive home the thin edge of the wedge which has already been put in towards a protectionist policy.

For Great Britain to embark upon such a policy, no matter what the action of other countries may be, is economically suicidal. Backed as it is by a mood of definite hostility to foreign immigrants of all kinds, whether they are goods or people, it is a move tending straight towards the adoption of that very economic nationalism which every one of us knows to be the greatest danger and the greatest evil from which the world is suffering at present.

If we had to assign one cause for the fact that the world economic situation has steadily worsened, I think we should be compelled to select the developments of economic nationalism in the different countries as that most characteristic, most determinant cause, and the fact that Great Britain has fallen into line with this fatal tendency is one of the major reasons why, I believe, there has passed from us that leadership in world affairs, that moral leadership towards reconstruction and restoration which might, I am profoundly convinced, have been maintained and extended had we now a Labor government instead of a National government in Great Britain.

In the election we put before the country a policy of domestic reconstruction both of industry and of finance. We felt that the crisis, precipitated to a large measure by the action of bankers over whom the nation had no control (although it was compelled to meet the bill for their failure), required positive remedies, the establishment of some such measure of national control over finance and credit operations as you already enjoy in the shape of the Federal Reserve Board.

I would beg you here in this gathering to look through the forms to the facts of things and recognize that actually in these United States today you have in many departments more of practical socialism in the shape of centralized state control than the Labor party proposed in some sections of its program, and to be frightened of the mere word "nationalization" is a gesture unworthy of a Twentieth Century mind; but in the program which we put before the country at the election, which was very largely the same program that we had gone to the country with in 1924, endorsed, largely written by Mr. MacDonald and Mr. Snowden, we also addressed ourselves in the first instance to the great world causes which account for our difficult situation and have carried that same situation over to you.

The crisis from which we suffered in August, and are suffering now, and you are suffering, too, is a crisis of a far larger and far more far-reaching order than can be met by measures either of taxation or by pro-

tectionist duties, though they can aggravate it; and the tragedy of that crisis is the enormous hope which is actually contained within it.

If only we had leadership to meet and realize that hope!

The world today is suffering, paradoxical as it may appear, because the powers of production, the returns to the unit of labor, are so vastly enhanced. We can make far more things than we know how to use or are willing to use. We can only meet that crisis and draw profit out of it by so reorganizing our common machinery of distribution, consumption, and exchange, as to raise, and not depress, the general standard of living. We must do it together, I entirely agree, and the Labor party's cardinal proposal was the summoning of a world conference not to deal with the past, not directed merely to reparations and war debts, though on them we clearly stand for cancellation, but to summon the nations of the world together to look at the future, at present apparently so terribly menacing, and, by united effort, to work out a policy governing the exchange of money, the facilities for purchasing goods, the lowering of tariff barriers, and, above all, the great question of armaments.

In that we found the center of our constructive policy and that constructive policy rests upon the belief that only in so far as together the nations resolutely agree to do what they can do, and that is through planned economy to raise the general standard of life, is even a beginning of any permanent solution to be found. And that is why, if I may put it in a sentence, we felt when Mr. MacDonald and Mr. Snowden accepted, no matter on what compulsion, a measure which struck directly at the standard of life, in the shape of a cut in unemployment benefit bound to react on wages, they were not only falling away from their Socialist faith but also deserting the light by means of which they and all men and women of good will together might have led the world out of the difficulties in which it is at present involved; and that there is no other way except a united effort based upon a recognition that in increased production we have an opportunity which we can utilize only if we raise the standard of general consumption to meet it.

I am quite convinced that no matter what the darkness of the present outlook, no matter how mistaken the policy at present being pursued, the world is going to be forced to measures of broad international socialization before it finds its way out, and the thing that grieves me—that I must in an effort to be honest, admit—is that the present policy being pursued by Great Britain is not a help in that direction; is rather aggravating the mistakes of the nationalism from which the world is suffering and making it the more probable that before we can emerge through into the light, we shall have to pass through a period of grave and terrible darkness and suffering for all the nations of the world.

That is why I have to say to you that in seeking the protectionist way out, the way out of economic nationalism, I do agree with Professor Orton that we have lost the leadership and deservedly lost it, and we are ourselves going to suffer more than we need, and that those who led us into that course of policy have made what the long view of history will see as a mistake, though a mistake perhaps which men in responsible positions could only by the aid of more than human intelligence and courage have avoided.

But I do think however far the world may seem to be from accepting the Socialist view, it is more true, it is getting more true, than it ever was, today, that facts are forcing nations, peoples, individuals, to see that that is the only road of salvation. That is the road we shall have to take. Those who see that road now must follow it no matter what darkness, no matter what difficulty, no matter what separation from friends it must involve. That has to be faced.

I believe in the long run you, who have already traveled further on that road than you have realized, and we, who made a great start upon it in the years when the Labor party had larger opportunities of power, shall together find in that a means toward world reconstruction.

But at the present moment the thing that is most necessary is that we should, if we can, detach that essential fact from the clouds in which it is surrounded, and that is why I felt that the one thing I could do was put before you not an attempt to follow in detail the events of the last difficult months, but an attempt to explain to you why it is that there is still a large body of opinion in Great Britain which holds fast to the belief that international reconstruction is possible only on Socialist terms; and that when the Foreign Policy Association in a most admirable note* (all their notes are admirable, but this was especially useful, I thought) described what happened in Great Britain in August under this title: "England Returns to Capitalism," they were right. That is a true description. It is a description of what has happened only as a temporary phase. England will return to socialism, and then it will be on the road to resuming that leadership, that moral leadership which it has lost.

THE CHAIRMAN: Before we have the general discussion Professor Orton requests a few minutes to reply.

PROFESSOR ORTON: I will take just a minute or two to deal with the three points which Mrs. Hamilton commented upon. First, the argument that the National government failed to save the pound. It did. You have a patient very sick; the doctor decides to perform a drastic operation; none

*"England Returns to Capitalism," *News Bulletin of the Foreign Policy Association*, Vol. X, No. 44, September 4, 1931.

the less, the operation fails. Do you, therefore, call the doctor a knave or a fool or a fraud?

Mrs. Hamilton described the National government as on the whole a Tory government. On the whole it is a Tory government, but it is a Tory government with a joker in the pack, several jokers in fact.

I might quote a sentence that Mr. Runciman, the President of the Board of Trade, a Free Trader, used in introducing the present duties. He said:

> "The Government has for some time past found that appeals against the raising of foreign tariffs were absolutely useless. Since the resolutions of the World Economic Conference, not one of the signatory countries has made the slightest attempt to carry them out."

England is now trying another method of argument. The significance of the present tariff is mainly political and international, and I should like, at the risk of being very indiscreet, to congratulate the Democratic party in this country for having ventured to put in their present bill the proposal for an International Conference on Tariffs. That is, I think, an act of extraordinary courage and extraordinary hopefulness, and it is in line with the British position that there can be no solution to the problem of economic nationalism along purely nationalistic lines of action. The next steps forward must be international in their nature, and I shall be very much surprised if the final outcome of the method of argument that England is using is not a realization of that fact, and the establishment of international methods of dealing with this problem.

Then Mrs. Hamilton seemed to me rather to deplore the fact that England had lost what she called its leadership to this country. I am not particularly concerned about leadership in national terms any longer. Leadership is no longer a matter of purely national policy.

I have lived nine years in this country and I am not quite so appalled, perhaps, as Mrs. Hamilton is, at the prospect of your country having the task of leadership and I think I see signs of its coming.

Mrs. Hamilton also referred to the problem of India. Now I don't want to start a discussion on India, but I should like to say that when it comes to the responsibility for the present state of affairs in India, I think we must admit that a very grave share of that responsibility rests in the failure of Indians themselves—I will not be specific—to evolve adequately constructive policies to deal with the problems created by their own agitation.

Then Mrs. Hamilton said just a word about the banking question, the nationalization of banking and credit. The example set in the establishment of the Federal Reserve Board here, of course, is very encouraging, but, to make the analogy complete, I think we must recall that the Labor party platform demanded control of both domestic and foreign investment. That does not strike me as an immediately practicable policy.

I should like to add one word of warning against an interpretation of the policies of the present British administration by analogy with purely conservative policies of the past. Britain is not nearly so disunited in regard to its foreign policy as it is, apparently, in regard to domestic policy, and I think that what has happened is that for the time being we are trying to pursue the same ideals by somewhat different tactics, but the ideals, I think, remain substantially unchanged even in respect to disarmament.

THE CHAIRMAN: Mrs. Hamilton will say a few words in rebuttal.

MRS. HAMILTON: I should like to suggest that in regard to the character of the government, when you play cards with a joker, it very often ruins your play. It is a card you want to leave out of the pack if you want to play a straight game. I should always prefer to have a government carrying out a policy from conviction. Mixed drinks always seem to be rather dubious in their flavor.

Much more serious is the tariff. The old argument that the way to get other people to give up a tariff is to raise a barrier of your own, is one which years of American and European history refute, and however sincerely Mr. Runciman as a Free Trader, may advocate a tariff for bargaining or frightening, no one who has been in the British House of Commons recently can fail to note that the lobbies of our House of Commons are crowded with persons seeking to promote the interests of our separate trades and industries, a phenomenon we have never before known, extremely dangerous, harder to get rid of than to initiate.

The second thing is that the great body of opinion in that huge majority, which is bound to make itself felt, is wholeheartedly in favor of a tariff for its own sake. To them this talk of a temporary tariff is perfectly absurd: they are moved by a sincere fanaticism in this; they believe in a full protectionist tariff for Great Britain. Since we have 474 pledged members who believe this, however sincere the feeling of Mr. Runciman and his colleagues may be in trying to get rid of this policy that they have begun, they will find in practice it is impossible to do so.

There is hardly an instance, I think, where the effort to bring down other people's tariff by the setting up of your own has worked. It is not working that way at present. Even if theoretically it would work, it will not be allowed to work with us, as things are, because the majority in the House of Commons which can make its opinions and wills felt—and that majority is an overwhelming one—is composed of men determined to use the opportunity which they have to be true to the mandates which they believe they have got from the electorate, to establish a full-fledged protectionist policy in Great Britain. I am bound to say I think they will succeed and it will be a disaster for us and the world if they do succeed.

There remains the question of leadership. I don't care any more than Professor Orton does who leads so long as the leadership is in the right direction. The trouble that I feel now is that between 1929 and 1931 I think so far as great issues like peace, disarmament, international good will, and the fight against economic nationalism went, Great Britain was in the happy position of giving the lead in the right direction. It is because the direction is less clear that I regret the fact that there has been a change in the drive that might come and that did come from Great Britain, and I think that Professor Orton and I would be unduly optimistic if we thought the lead towards peace which we tried to exercise had effectively passed to the United States. So far as Europe is concerned, the lead at present is with France.

The struggle to prevent Great Britain being tied to France, carried through successfully in 1929 to 1931, is now turning the other way. I don't want to criticize the policy of France in general, but I doubt whether its leadership will bring the world rapidly along paths of peace and international reconciliation. It is not a question of national pride. I hope I am in that and in every other sense a good internationalist.

It is because the force in the right direction has been lessened that I regret the movement of leadership away from a center which was, I sincerely believe, a center of peace and good will.

I will say in conclusion that nothing would please me better than if the optimism which Professor Orton has been able to voice should prove to be right and I to be entirely wrong, but I dread and fear the effective adoption of a protectionist policy. Protectionism is not merely a question of economics. It doesn't solely concern the balance of imports and exports. It carries with it a whole point of view and a whole outlook on life and the mutual relations of peoples which seems to me dangerous, false, reactionary, and pregnant with great evils for our own people and all the other peoples of the world. It is from that point of view and not from any narrowly economic one that I find myself on broad international lines a strong Free Trader, and face the fact that the effective force of the Tory influence in the House of Commons is much stronger than the nominal leaders of the government, and is carrying us irresistably towards a full-blooded tariff.

THE CHAIRMAN: Professor Orton, during his main talk, referred to a rather "wild and woolly" but intellectual and theoretical part of the Labor party. He was referring to the Independent Labor party. He didn't mention names so no one could rise to a question of personal privilege, but since there is here at the Speaker's Table a representative of the Independent Labor party, though she doesn't strike me as being particularly

"wild" or "woolly" in her appearance, I have asked Miss Jennie Lee if she will not talk to us briefly from the point of view, if not of the "wild and woolly" section of the Labor party, then of the intellectual and theoretical part of the Labor party. Miss Jennie Lee!

MISS JENNIE LEE

MR. MCDONALD, LADIES AND GENTLEMEN: Though I fear I may do the ideas I care about grave injustice through responding to this sudden invitation, yet I should very much dislike an American audience in which I was present to go away believing that in British politics the Independent Labor party stands merely for "wild and woolly" ideas.

May I try just in the very briefest indication to outline to you what are some of the guiding impulses behind our political and economic philosophy, and to do so, perhaps it would be simpler if I first told you what I think of the present policy in Great Britain.

I notice we are debating around the phrase, "England Seeks a Way Out." England at the present moment very decidedly is seeking a way out, but is seeking the less courageous of two ways out by moving backwards instead of forwards. That is quite understandable for those who remember the proud and prosperous immediate past of our country, that we are used to holding a dominating position in the councils of the world and that psychologically, therefore, there should be many who want to hark back on the "good old days," and who indulge in the romantic fallacy that it is possible to adjust the whole of the world to the Great Britain of a generation ago rather than attempt the harder task of adjusting Great Britain to the realities of the present world.

If I may just say so, I believe that Mr. Winston Churchill, who represents the extreme opposite point of view from my own in British politics, illustrates what I mean by the romantic impulse to get back to a past position rather than to plan and build in terms of the present position, for to India, for instance, I believe that he is doing a parallel thing to that of George III and Lord North in relation to America, and I can hardly think that the American people as a whole entirely approve.

If you have a spirit of independence growing in another country, then it is better to respect that spirit and it is better, we believe, not only on moral grounds but also on economic grounds, and we believe there will be grievous consequences not only for the world as a whole but also for Britain in particular in seeking to foist the old imperialistic ideas on other

countries and in so doing merely losing our opportunities to build up reasonable trading agreements.

The I. L. P., which has been described as "wild and woolly," in international relationships would rather respect the present mood of peoples, try to build up peaceful, friendly relationships, the best possible trading agreements. Then in internal affairs we believe it is absolutely vital that British industry should be reorganized, should be integrated in a plan suited to modern needs rather than that we should, under cover of a new tariff policy, allow obsolete methods and obsolete masters to muddle along in their relatively small concerns at the expense of the whole community.

The I. L. P. does not support a policy of tariffs, neither does it support a policy of Free Trade, because we believe that neither are suited to the needs of the moment; rather we are trying to guide British public opinion to the acceptance of a conception of planned and controlled trade, and, although it is very prosaic, as I am speaking with the very great difficulty of a very short time limit, may I take one specific thing in order to illustrate the distinctive program of the I. L. P. and largely the broader Labor party from either tariffs or Free Trade?

We had a geat deal of trouble in the last two years over dumped wheat coming into Britain and the Free Trader said, "Nothing can be done about it, even though British agriculture has to go out of cultivation." The tariff reformer said, "It is perfectly true that we must import 80 per cent of our wheat, but in order to keep the remaining 20 per cent grown at home, allow us to put on tariffs." But such a tariff would have to be of an impossible height, and even then would give only a doubtful advantage to the British producer and a very certain disadvantage to the entire British consumers.

The I. L. P., on the other hand, in fostering the idea of controlled and planned trade, says, "Why not set up a National Import Board to deal with those great raw materials which Britain must import? Why not say to your farmer, 'We give you a guaranteed market and a fair price for the percentage of wheat which you can grow at home?' Then, by means of the Import Board, make a bargain abroad in buying the remainder, make a bargain which is going to be beneficial to the British consumer by keeping down the cost of living and, more than that, which can make use for the first time of the fact that although Britain has now many liabilities, she has still tremendous assets, and that one of her greatest assets is the value of her internal market to all the other countries who want to sell goods to us. If we are going with our Import Board into the markets of the world, making bulk contracts, let us do that in order to regulate our trade, in order to maintain the production of such goods at home as we are suited to produce at home, and at the same time attempt to get reciprocal agreements to further the sale of our industrial goods in other countries."

I am abusing the privilege which has been given me in just indicating some of the things which the I. L. P. stands for. I can't follow along many other tempting avenues, but I hope I have not entirely failed in indicating that some of us in Great Britain believe that the temporary situation is merely a romantic aberration, that it is a necessary phase that we have got to pass through; the sooner we pass through it, the sooner its entire futility will be exposed, either to deal with internal conditions in Great Britain or to help forward the great peace movement of the world as a whole; and that there is sufficient vitality, sufficient common sense, yes, and sufficient magnaminity among the people of our country that, having passed through that phase, we will then in a greater spirit of earnestness and realism than ever before (because my criticism is not that we have ever had attempts at socialism before but that we never have had such attempts) after this experience and experiment, set ourselves to the task, of trying to work out, both on grounds that will stand your moral examination and your economic examination, a new planned economy in Great Britain and do it, not at the expense of the rest of the world, but, as far as possible, in cooperation with all our other great neighbors.

THE CHAIRMAN: We seem to be having unannounced talent here today and still I am afraid I would be accused of partisanship either because of my old friendship for Mrs. Hamilton or because of my respect for the "wild and woolly" I. L. P., if I did not now, before we begin the question period, ask my old friend, Sir William Wiseman, a member of the banking house of Kuhn, Loeb & Company, who during the War served his country here as a liaison officer, and who is an authority on international finance and trade, to give perhaps a somewhat different slant on the English situation. Sir William!

SIR WILLIAM WISEMAN

MR. MCDONALD, LADIES AND GENTLEMEN: It is always a great honor to be invited to speak before the Foreign Policy Association, but I must tell you why this honor has fallen on me. The Foreign Policy Association is a liberal-minded body and their members are liberal-minded, and they are inclined to invite liberal-minded speakers to address them; but Mr. McDonald being essentially a fair-minded Scotchman, likes to have something to counteract in case the drink is too sweet. He likes to put a little lemon in it. Well, I'm the little lemon! I am the horrible example of the reactionary Tory.

Ladies and gentlemen, I am a Tory—unashamed. I was born a Tory, I have lived a Tory, and I hope to die a Tory, and I used to say that the more I saw of the radicals, the more I liked the Tories. I take that back after meeting these two ladies.

Mrs. Hamilton spoke of a pack of cards. She obviously doesn't like the kings and queens in the pack, so I suppose she leans towards the knaves—I don't know.

Seriously, I am worse than a Tory. I am an international banker, and I am not a bit ashamed of that, either. I think the international banker serves just as useful a purpose and, confidentially, I think a little more useful purpose, than a great many politicians.

We are faced with a situation today which is unprecedented. Our economists and our statisticians, either have not been able to understand the problems which have overwhelmed us since the War, or else they have not been able to communicate their discoveries to our lesser minds. I don't know which it is, but, at any rate, the world is in confusion and there are a hundred different reasons put forward as to why this situation exists and as to the way out. I don't believe anybody knows.

Mrs. Hamilton has referred very rightly to the need for action and here I want to speak very seriously to you for a moment. The situation is changing so quickly—conditions which existed yesterday do not exist today. You have only got an example of the situation which faced the British government when they tried to stay on the gold standard and found it was impossible. What was right yesterday may be wrong tomorrow.

The parliamentary form of government, the democratic form of government, if you please, or even the socialistic form of government: these may be the best forms of government—I venture to think they are not, but I will admit for the sake of argument that they are, but this I would put to you most seriously: Public opinion in any country is slow to form, slow to form particularly in regard to economic questions and in a crisis like the present, time is exactly the thing which is not given us. It is essential to move quickly.

We have created over the last two hundred years a very complicated, intricate civilization, an economic civilization which is delicate, and difficult to understand, and when it goes wrong, it needs quick action to put it right.

Your parliamentary system of government, your democratic system of government, which may be the best, is too slow, moving to meet these emergencies. You have either got to change materially your system of government, or you have got to change materially your type of civilization.

You can go to the Soviet system or the Fascist system, or any kind of dictatorship you like, and then at least you get action. It may be wrong, but it is action at any rate. Or, if you don't want that, you have got to slow down our civilization.

Without agreeing or disagreeing on any political controversy, I put that to you simply as a matter of fact which I don't think for a moment can be denied. The British Labor party, after all, was in power some time before August last, and the world was getting worse and worse all the time. Public opinion no doubt was forming in the right direction, but the trouble was, it wasn't forming quickly enough. Events were going faster than public opinion, and that is what is happening today. We cannot get action. The problems are not so terribly difficult, but you cannot get action out of the main governments concerned. I feel sure that in England whatever party we may belong to, we hope and believe, that we are striving for the best interests of our country and the best interests of the world as we understand it.

The main thing is that we should have the courage to tell the people the truth. Don't just tell them what you think they want to hear; don't just tell them they are a wonderful lot who ought to have their wages raised and have a better standard of living, and if anything goes wrong it is the fault of the capitalists or of some foreign nations; but, for heaven's sake, tell them the truth. I believe the peoples of the world will follow courageous leadership, but you must not feed them on jam and honey all the time. Sometimes you must put in the lemon.

THE CHAIRMAN: Now we have a few minutes for questions and discussion from the floor. I should, as usual, prefer to have the questions very brief and to the point. Time is relatively short. Questions can be addressed to any one of the speakers, preferably dealing with the subject under discussion. Where is the first question?

MRS. MOORHEAD: *I should like to ask Miss Jennie Lee what proportion of the deficit, which was found to be something like seventy-two million pounds in August, was represented by this 10 per cent cut in employment?*

MISS LEE: I stand open to correction and I am glad I have another English colleague here if I am wrong, but I would say it was only about a tenth of the whole, altogether, that would have been met by that cut.

THE CHAIRMAN: Mrs. Hamilton also wishes to answer that question.

MRS. HAMILTON: Perhaps I may amplify that. It was estimated that twenty-two and a half million of economies were to be secured by the joint operation of the 10 per cent cut, which produced ten millions—that is the

proportion Miss Lee refers to—and the arrangement whereby those unemployed persons who had been unemployed twenty-six weeks were to be handed over to the Public Assistance Committees, in effect, the Poor Law. Twenty-two and a half millions were estimated to be saved by the joint effect of those two proposals.

MR. NORTON: *We were very much interested in the dash of lemon at the end, but we would be more interested in a somewhat more definite indication of the way out from the last speaker, if he can give it to us in a few moments.*

SIR WILLIAM WISEMAN: With two distinguished stateswomen here, though ex-stateswomen, I hardly expected to be called on as a mere international banker to indicate the way out, but I will, if you wish. I will tell you that what you have got to do has very little to do with hoarding of gold, or with credit, and, as a matter of fact, with economic conditions. The way out is to form a stable political basis.

You can do that very largely by revising the Versailles Treaty. You have got to have confidence. We have heard about the gold standard. As a matter of fact, the world hasn't been on the gold standard for over two hundred years, but on a standard of gold plus confidence, and confidence is gone. Put back confidence. It can be done by revising the Versailles Treaty, by omitting for the moment to pursue some of the extreme political programs which are advocated, because, however good they may be, they don't give confidence at the moment. Once you get political confidence restored to the world, believe me, credit will be re-established on a workable basis very soon, and, after credit is re-established, the main economic problems can be worked out and the necessity for tariff walls will be diminished, I believe, very largely.

THE CHAIRMAN: A short question and a very short and to the point answer. See if we can do it again! Where is the next question?

QUESTION: *I should like to ask the practical Sir William Wiseman if he would kindly tell us what he thinks of our old high protective wall and our great "noble experiment," Prohibition, and whether those two things have aided in establishing any great confidence in the world in the United States?*

THE CHAIRMAN: The Chairman makes it a rule never to rule anything out of order which can possibly be interpreted as in order, so he hesitates to rule this out, and he doesn't, but he relieves Sir William from replying to the "noble experiment" if he chooses not to do so.

SIR WILLIAM WISEMAN: I don't think we have to discuss world confidence because it doesn't exist. Today there isn't such a thing. But, I can answer your question in another way.

I don't think that the experiment and I don't think that your high tariff walls do now or could possibly in the future do anything to help to restore confidence. It is political security that you want, first and foremost; and economic confidence will follow.

MR. COLT: *I should like to get to the subject, referred to for an instant, the enormously important matter of relations with India, both economically and politically. Something was said about the dilution of interests in the present Cabinet. Would Professor Orton give his reaction to that remark?*

PROFESSOR ORTON: I think the question is one not so much of willingness but of possibility.

While Miss Jennie Lee was speaking, I was overwhelmed with the desire to comfort her, she seemed to have such very terrible visions of what Winston Churchill might do to India. The point is, he is not being allowed to do it.

But in regard to the general policy with regard to India, Britain is pledged to the hilt, and as to the particular means in the particular moment, I doubt very much whether practical policy would admit of much deviation from the course which Lord Willingdon is pursuing, no matter what kind of Cabinet you had.

THE CHAIRMAN: Mrs. Hamilton also wishes to speak on that topic.

MRS. HAMILTON: I want, with the Chairman's permission, to put a few facts behind my statement. I think that inevitably the policy was diluted by the mere fact that you got Mr. Wedgwood Benn—enthusiastically sympathetic with the line indicated by Miss Jennie Lee, respect for the wishes of our Indian fellow-subjects—you got him, a real enthusiast for reconciliation with India, replaced in the conference and the Cabinet by Sir Samuel Hoare, who, though an able and sincere person, is unwillingly a convert to that view.

You got in the round table conference a definite unwillingness to take any line on the communal issue, though there had been a lively expectation of an effort to get an arbitral award, which might or might not have been accepted, put before India as a sort of solid nucleus around which their efforts to arrive at a solution might have crystallized, a fact which would have been of enormous advantage. You got, during the last few months a vigorous campaign in our British newspapers against there being as the outcome of the conference any reiteration of the original pledge.

You got in the House of Commons, furthermore, on the occasion on which the summing up of the round table transactions was debated and voted, no fewer than two hundred abstentions from voting. Mr. Chur-

chill carried into the lobby a small contingent, but two hundred members in the house abstained from voting either for or against it.

It seems to me that the combined effect of those facts must have been to sow doubt in the minds both of the Indians eagerly anxious to get an agreed solution, and of the others who were looking for an opportunity of suggesting that the conference was a fraud. They must have found food in those facts. It must have helped to make more difficult the putting over of confidence in the pledge that was formally given, at the close of the conference, and I must say that from my own personal point of view, I deeply regretted the fact that the present Viceroy did not find it possible to see Mr. Gandhi. I think that was a mistake which could and should have been avoided and added to the effect of the other circumstances which I have cited to you.

QUESTION: *Mrs. Hamilton suggested that the Labor party was in favor of cancellation of war debts. I am wondering if, when the Labor party planned that platform, they thought through as to how the United States government bonds issued to provide the money covered by the debt, would be repaid.*

MRS. HAMILTON: I would say in answer that our hope that we might see a cancellation of war debts was not a hope that we should present to the United States a request on our part that they should cancel. Our hope was rather that we might get into effective operation a united world movement towards this end, and we saw, looking at it from the United States end, an opportunity for the United States to do a thing which would in reality do them no harm and would at the same time, in so far as it was a gesture looking towards the future, a gesture animated by a sense of common responsibility, a move toward reconstruction, give them a moral position in the world, of enormous, not-to-be-estimated value.

We didn't ever conceive a position in which the thing would be done except as an action of common agreement in which the necessity of cutting out the dead wood and looking towards the future with a spirit of a constructive kind would be jointly accepted by all the nations concerned and, therefore, I am afraid I could not give you an answer in detail as to how that problem would be met. That technical aspect of it was not in our minds.

Our belief was that if the world is to reconstruct itself, it must by common action get rid of this burden of reparations and war debts, and we believe, perhaps optimistically, that the advantages all around to be gained by that would be such that we could do it, together with the United States, as a common action, not as a result of an approach by us, because our own conditions are difficult. It is because the Labor party believes that the removal of this continual drain upon the resources of all countries is equally

bad for them all, that we put forward this proposition. It wasn't put forward merely as a relief to our own situation.

THE CHAIRMAN: Where is the next question?

MR. MAYER: *In the years before the War all commissions appointed to England to study the industrial problem recommended the modernization of industry. Isn't it a fact that none of them have done anything toward looking for a way out?*

THE CHAIRMAN: To whom do you address the question?

MR. MAYER: It doesn't matter.

THE CHAIRMAN: The questioner doesn't care to whom he addresses his question. Perhaps we will address it to Professor Orton.

PROFESSOR ORTON: I think that is, broadly speaking, a true statement, that every commission has advocated the modernization of industry. I think it is not quite accurate to suggest that no steps have been made in that direction voluntarily, though they have been very disappointing in their amount and in their speed.

I could also add that many of us were extremely disappointed to find that the Labor party in office was not prepared to go very much farther in the direction of compelling industries to come up to date than turned out to be the case. I think the Liberal policy outlined in the Yellow Book was actually more radical than that of the Labor party. Provided you know the conditions to which an industry has to adapt itself, modernization is a very essential thing.

MISS MUNN: *I should like to ask Mrs. Hamilton if American opinion and perhaps American prejudice is true or not. We have always been taught to consider the average English voter as a very conservative individual, as a man who looked toward compromise as the wisest way out. Do you think that is true of the average British voter today?*

THE CHAIRMAN: This is a question addressed to Mrs. Hamilton. I don't know whether she is in a particularly good mood to analyze the English voter, whether she can interpret the English voter quite fairly, but anyhow, it is not my business to stand between you and the speaker, but to put the question to her.

MRS. HAMILTON: The Chairman has prepared the ground for me, but it is not very comfortable ground for me as you will admit.

I think the outstanding facts, really, in the last election are these: First, we never had an election in which appeals, either organized from political quarters or newspapers, or the instrument of the radio, appeals to emotion, whether to that of patriotism or the emotion of fear, were so tre-

mendously utilized. Every effort was used to get the voter into the frame of mind which I can instance to you from a particular spoilt ballot paper in my own constituency. Against my name as a Labor candidate the voter had written "Ruination!" That was the picture which they had drawn of our proposals and our personalities.

But, against the name of the Tory candidate, who was elected, that same voter had written the word "Starvation!" And I hope Sir William is pleased with this description of the practical policy of his party.

In spite of that, the Labor party got, for a constructive program, a program of action, no fewer than seven million votes, only a million less than we got in 1929 when we had all the advantage of the swing of the pendulum against a government which had been in office four to five years, and I draw the optimistic conclusion that we have seven million intelligent voters.

THE CHAIRMAN: Now on your behalf I wish to thank all of our English friends for the help they have been in educating us here and the radio audience.

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